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| APPLICATION NO. | FILING DATE | FIRST NAMED INVENTOR | ATTORNEY DOCKET NO. | CONFIRMATION NO. |
|--|-------------|----------------------|---------------------|------------------|
| 09/173,109 | 10/15/1998 | WITOLD A. ZIARNO | | 1294 |
| 7590 | 04/28/2005 | | EXAMINER | |
| W. A. ZIARNO 723 CHAPEL HILL WEST LANE HORSHAM, PA 19044 | | | MYHRE, JAMES W | |
| | | ART UNIT | PAPER NUMBER | |
| | | | | 3622 |

DATE MAILED: 04/28/2005

Please find below and/or attached an Office communication concerning this application or proceeding.

| | | | |
|------------------------------|------------------------|---------------------|--|
| Office Action Summary | Application No. | Applicant(s) | |
| | 09/173,109 | ZIARNO, WITOLD A. | |
| | Examiner | Art Unit | |
| | James W Myhre | 3622 | |

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) Responsive to communication(s) filed on 24 September 2004.
- 2a) This action is FINAL. 2b) This action is non-final.
- 3) Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) Claim(s) 21-41 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) Claim(s) _____ is/are allowed.
- 6) Claim(s) 21-41 is/are rejected.
- 7) Claim(s) _____ is/are objected to.
- 8) Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) The specification is objected to by the Examiner.
- 10) The drawing(s) filed on _____ is/are: a) accepted or b) objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
 - a) All b) Some * c) None of:
 1. Certified copies of the priority documents have been received.
 2. Certified copies of the priority documents have been received in Application No. _____.
 3. Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- | | |
|---|---|
| 1) <input checked="" type="checkbox"/> Notice of References Cited (PTO-892) | 4) <input type="checkbox"/> Interview Summary (PTO-413) Paper No(s)/Mail Date: _____ |
| 2) <input type="checkbox"/> Notice of Draftsperson's Patent Drawing Review (PTO-948) | 5) <input type="checkbox"/> Notice of Informal Patent Application (PTO-152) |
| 3) <input type="checkbox"/> Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08) Paper No(s)/Mail Date: _____ | 6) <input type="checkbox"/> Other: _____ |



DETAILED ACTION

1. In view of the Board of Patent Appeals and Interferences (BPAI) Decision of September 24, 2004, PROSECUTION IS HEREBY REOPENED. New grounds of rejection are set forth below.

To avoid abandonment of the application, appellant must exercise one of the following two options:

- (1) file a reply under 37 CFR 1.111 (if this Office action is non-final) or a reply under 37 CFR 1.113 (if this Office action is final); or,
- (2) request reinstatement of the appeal.

If reinstatement of the appeal is requested, such request must be accompanied by a supplemental appeal brief, but no new amendments, affidavits (37 CFR 1.130, 1.131 or 1.132) or other evidence are permitted. See 37 CFR 1.193(b)(2).

The currently pending claims considered below are Claims 21-41.

Priority

2. As noted in the BPAI Decision, the Applicant's various claims to priority based on a plurality of other applications are "confusing and erroneous". As noted several of the applications claim to be continuations-in-part of applications which were submitted after them. Other applications have a break in pendency. And still others do not fully support the currently claims invention (especially the Internet portion as indicated in the BPAI Decision). When filed, the Applicant claimed that the current application was a

Art Unit: 3622

Divisional of application 08/402,622. However, in that application, the current application is listed as a continuation-in-part. The Applicant is requested to provide a complete explanation of the priority claims, showing where the presently claimed features were first disclosed as being used together. It is noted that separate disclosure of the features in various prior applications without any suggestion therein to combine the features does not constitute support for the features being used together, i.e. the current claim. Until the above priority questions have been clarified, the Examiner will consider the filing date of the 08/402,622 application (March 13, 1995) as the priority date of the current application.

Double Patenting

3. The nonstatutory double patenting rejection is based on a judicially created doctrine grounded in public policy (a policy reflected in the statute) so as to prevent the unjustified or improper timewise extension of the "right to exclude" granted by a patent and to prevent possible harassment by multiple assignees. See *In re Goodman*, 11 F.3d 1046, 29 USPQ2d 2010 (Fed. Cir. 1993); *In re Longi*, 759 F.2d 887, 225 USPQ 645 (Fed. Cir. 1985); *In re Van Ornum*, 686 F.2d 937, 214 USPQ 761 (CCPA 1982); *In re Vogel*, 422 F.2d 438, 164 USPQ 619 (CCPA 1970); and, *In re Thorington*, 418 F.2d 528, 163 USPQ 644 (CCPA 1969).

A timely filed terminal disclaimer in compliance with 37 CFR 1.321(c) may be used to overcome an actual or provisional rejection based on a nonstatutory double patenting ground provided the conflicting application or patent is shown to be commonly owned with this application. See 37 CFR 1.130(b).

Effective January 1, 1994, a registered attorney or agent of record may sign a terminal disclaimer. A terminal disclaimer signed by the assignee must fully comply with 37 CFR 3.73(b).

4. Claims 21-41 are rejected under the judicially created doctrine of double patenting over claims 1-23 of U. S. Patent No. 5,550,561 since the claims, if allowed, would improperly extend the "right to exclude" already granted in the patent.

The subject matter claimed in the instant application is fully disclosed in the patent and is covered by the patent since the patent and the application are claiming common subject matter, as follows:

Comparing the independent method claim, Claim 24, of the present application with the independent method claim, Claim 11, and its dependent claim, Claim 14, of the patent, the claimed features are:

"Claim 24. A method comprising, providing individuals making monetary transactions with a smart card reading computer peripheral as an input device for a personal computer or workstation, said smart card reading computer peripheral designed to send monetary transaction data to said personal computer or workstation for delivery onto the Internet, and securely sending monetary transaction data read by said smart card reading computer peripheral from the personal computer or workstation onto the Internet for further processing.";

"Claim 11. A method of simplifying and streamlining the entry of monetary transaction information to personal computers or work stations from information bearing credit or debit cards, said credit or debit card selected from the group consisting essentially of a smart card and a conventional magnetically striped card, said credit card or debit card information for communication to a computer network, comprising the step of providing the individuals making monetary transactions with a cursor control unit for controlling the movement of a cursor, said cursor control unit having a magnetic stripe reader or smart card reader for reading information from said credit or debits cards, said cursor control unit having a communications link to a personal computer or work station

Art Unit: 3622

for communicating said credit or debit card information to said personal computer or work stations, and said computer or work station having means for communicating said card information to said computer network for further processing, whereby the capture of monetary transaction information for on-line shopping is facilitated and the monetary transaction is safeguarded by capture of said information on a transaction by transaction basis.”;

Patented Claim 14 adds to Claim 11 “*said computer network is selected from the group consisting essentially of the Internet, the World Wide Web, America On-Line™, Prodigy™, and Compuserve™.*”

To summarize, pending Claim 24 requires a computer peripheral with a smart card reader which sends monetary transaction data to a personal computer or workstation, which further securely sends the data onto the Internet for further processing. Patented Claim 11 requires at least a computer peripheral (cursor control unit) with a smart card reader which sends monetary transactional information to a personal computer, which further securely sends the data onto the computer network for further processing. Patented dependent Claim 14 identifies that computer network as the Internet. As noted in the BPAI Decision, a claim to the combination of ABC is anticipated by a claim to ABCD, and that it is prima facie obvious to remove limitations which are not required. Therefore, it would have been obvious to remove the non-required limitations in Patented Claim 11, such as the magnetic stripe card reader, when a smart card is being used as in Pending Claim 24.

The other pending claims also have corresponding patented claims and are likewise rejected as being obvious over the patented claims.

Furthermore, there is no apparent reason why applicant was prevented from presenting claims corresponding to those of the instant application during prosecution of the application which matured into a patent. See *In re Schneller*, 397 F.2d 350, 158 USPQ 210 (CCPA 1968). See also MPEP § 804.

Claim Rejections - 35 USC § 112

5. The following is a quotation of the first paragraph of 35 U.S.C. 112:

The specification shall contain a written description of the invention, and of the manner and process of making and using it, in such full, clear, concise, and exact terms as to enable any person skilled in the art to which it pertains, or with which it is most nearly connected, to make and use the same and shall set forth the best mode contemplated by the inventor of carrying out his invention.

6. Claim 36 is rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the enablement requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to enable one skilled in the art to which it pertains, or with which it is most nearly connected, to make and/or use the invention.

Claim 36 is dependent on Claim 34 which is a "kit for streamlining Internet transactions, comprising an Internet linked smart card reading computer peripheral...a communications link...and a routine that allows the card information to be securely transferred...to a remote computer...linked to the Internet". Claim 36 adds the limitation that "The kit of claim 34 further comprising the Internet". Thus, Claim 34 is claiming a kit with hardware (smart card reader and communications link) and software (routine). Claim 36 is attempting to add the entire Internet to that kit. The Examiner and those

Art Unit: 3622

with ordinary skill in the art at the time the invention was made would not know, or be able to ascertain from the specification, how to incorporate the whole Internet into a kit, such as claimed in Claim 34. Thus, the claim is not enabled.

Claim Rejections - 35 USC § 103

7. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

8. Claims 21-41 are rejected under 35 U.S.C. 103(a) as being unpatentable over Clark (5,517,569) in view of Hoffman et al (5,613,012).

Claims 21, 24, and 34: Clark discloses a device, method, and kit comprising:

- a. a smart card reader for reading credit and/or debit card information from a smart card (Figure 11, item 1106; col 7, lines 2-8 and 60-63; and col 9, lines 9-11); and
- b. a secure link to a computer network (col 4, lines 1-10).

While Clark does not explicitly disclose that the computer network is the Internet, Hoffman discloses a similar device, method, and kit which includes a smart card reader and which also discloses a secure link to a computer network such as the Internet (col 13, lines 15-20 and col 30, lines 43-54). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to securely link the

Art Unit: 3622

personal computer to the remote computer in Clark through the Internet. One would have been motivated to link the remote components through the Internet in view of Clark's disclosure that the network could be any type of network and the fact that the Internet was a well known network used to link remote computers (as shown by Hoffman) at the time the Clark patent was filed.

Claims 22 and 25: Clark and Hoffman disclose the device and method as in Claims 21 and 24 above, and Clark further discloses that the data is encrypted on the computer peripheral prior to transmission to the personal computer or workstation (col 2, lines 33-36).

Claims 23, 26, and 27: Clark and Hoffman disclose the device and method as in Claims 21, 24, and 25 above, and Clark further discloses encrypting the data at the personal computer or workstation prior to transmission onto the Internet (col 1, lines 58-61).

Claim 28: Clark and Hoffman disclose the method as in Claim 24 above, and Clark discloses that the remote computer to which the secure information is sent is a card processing device (e.g. bank)(col 6, lines 24-42).

Claim 29: Clark and Hoffman disclose the method as in Claim 28 above, and Clark further discloses that the data is encrypted on the computer peripheral prior to transmission to the personal computer or workstation (col 2, lines 33-36).

Art Unit: 3622

Claim 30: Clark and Hoffman disclose the method as in Claim 28 above, and Clark further discloses encrypting the data at the personal computer or workstation prior to transmission onto the Internet (col 1, lines 58-61).

Claim 31: Clark and Hoffman disclose the method as in Claim 28 above, and Clark further discloses encrypting the data at the computer peripheral and at the personal computer or workstation (col 1, line 58-61 and col 2, lines 33-36). The Examiner notes that multiple encryption is well known and would have been obvious even without the disclosure by Clark. When transmitting data on a secure Internet line (i.e. to an https: connection), the data is automatically encrypted by the transmitting device (e.g. sender's modem) and decrypted by the receiving device (e.g. receiver's modem). This takes place on all data files being transmitted, whether or not the data file was already encrypted.

Claim 32: Clark and Hoffman disclose the method as in Claim 28 above, and Hoffman further discloses linking (correlating) the transaction to the encrypted card data and decrypting the card data at the remote device (e.g. merchant computer)(col 30, lines 43-54 and col 42, lines 25-31). Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to correlate the transaction data in Clark to the encrypted card data. One would have been motivated to correlate the two types of data to ensure that the credit/debit account contained in the card data was debited for the correct transaction amount. It is inherent that the

Art Unit: 3622

receiving computer in Clark must decrypt the card data before it is able to process the transaction and debit the correct account.

Claim 33: Clark and Hoffman disclose the method as in Claim 28 above, and Clark further discloses entering a PIN number (col 1, lines 61-65 and col 2, lines 30-33).

Claim 35: Clark and Hoffman disclose the kit as in Claim 34 above, and Clark further discloses the personal computer is "a conventional PC" with such peripherals as a screen (i.e. monitor), keyboard, mouse, smart card reader, etc. While speakers are not explicitly disclosed, the vast majority of personal computers have one or more speakers built in at the factory and would have been an obvious addition to the above peripherals. Hoffman also discloses various peripherals attached to the personal computer which includes ones that allow "voice recognition". Therefore, it would have been obvious to one having ordinary skill in the art at the time the invention was made to include one or more speakers as peripherals to the personal computer disclosed by Clark. One would have been motivated to provide speakers on the personal computer in order to allow the user to hear the usual beeps, clicks, and other sounds produced during the normal operations of the personal computer.

Claim 36: Clark and Hoffman disclose the kit as in Claim 34 above, and as discussed in Claim 34 above, Hoffman discloses that the kit is connected to the Internet (see the rejection of Claim 34 above).

Claim 37: Clark and Hoffman disclose the method as in Claim 32 above, and Clark further discloses crediting or debiting an account (col 6, lines 26-42).

Art Unit: 3622

Claim 38: Clark and Hoffman disclose the method as in Claim 37 above, and Clark further discloses transmitting a receipt for the transaction (col 7, lines 50-54).

Claim 39: Clark and Hoffman disclose the kit as in Claim 34 above, and Clark further discloses a multiplicity of personal computers (col 3, lines 43-60).

Claim 40: Clark and Hoffman disclose the kit as in Claim 39 above, and Clark further discloses a plurality of monitors (col 3, lines 43-60).

Claim 41: Clark and Hoffman disclose the kit as in Claim 40 above, and Clark further discloses a plurality of keyboards and speakers (col 3, lines 43-60 and col 4, lines 42-57).

Conclusion

9. The prior art made of record and not relied upon is considered pertinent to applicant's disclosure.

The following references disclose credit card and debit card information being stored on smart cards and used for transactions:

- a. Nakano et al (4,727,244);
- b. Kawana (4,746,788);
- c. Fujisaki et al (4,758,718);
- d. Shigenaga (4,803,351);
- e. Micali et al (5,016,274);
- f. Tamada et al (5,017,766);

- g. Claus et al (5,310,999);
- h. Ishiguro et al (5,396,558);
- i. Brands (5,668,878);
- j. Bertina et al (5,682,027);
- k. Ohashi et al (5,761,309);
- l. Pare et al (5,805,719);
- m. Abelow (5,999,908);
- n. Smithies et al (6,091,835);
- o. Bro (6,249,809);
- p. Handelman et al (6,298,441);
- q. MATU (JP 63163690)(with translated abstract);
- r. Brandes (GB 2,356,170);
- s. Ishiguro et al (EP 0,856,821).

Any inquiry concerning this communication or earlier communications from the examiner should be directed to Exr. James W. Myhre whose telephone number is (703) 308-7843. The examiner can normally be reached Monday through Thursday from 6:30 a.m. to 3:30 p.m.

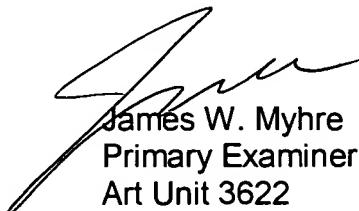
If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, Eric Stamber, can be reached on (703) 305-8469. The fax phone number for Formal or Official faxes to Technology Center 3600 is (703) 872-9306. Draft or Informal faxes, which will not be entered in the application, may be submitted directly to the examiner at (703) 746-5544.

Art Unit: 3622

Note: Effective 15 April 2005, the examiner's telephone numbers will be changed to (571) 272-6722 (phone) and (571) 273-6772 (Informal faxes); and the examiner's supervisor's telephone number will be changed to (571) 272-6724.

Any inquiry of a general nature or relating to the status of this application or proceeding should be directed to the Group Receptionist whose telephone number is (703) 308-1113.


JWM
April 6, 2005


James W. Myhre
Primary Examiner
Art Unit 3622